



State of Arizona  
**Department of Education**

**Tom Horne**  
Superintendent of  
Public Instruction

**CN# 47-05**

**MEMORANDUM**

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**To:** School Health & Nutrition Program Sponsors

**From:** Mary Szafranski, Deputy Associate Superintendent  
Arizona Department of Education, Health & Nutrition Unit

Holly Mueller, Program Director  
Arizona Department of Education, School Health & Nutrition Programs

**Date:** May 19, 2005

**RE:** **CRITICAL** Verification Guidance for SY 2005-2006

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**This critical memo serves to notify all Local Education Agencies (LEA) of the changes in verification requirements put forth in the Child Nutrition and WIC Reauthorization Act of 2004. Changes to the verification process will be effective July 1, 2005.**

**Changes to Verification Timeline:**

- The date for determining verification sample size has been changed from the LEA's enrollment as of October 31 to the enrollment as of **October 1**.
- The deadline for completion of verification has been moved from December 15 to **November 15**.

**Note:** The tracking of reinstated students until February 15<sup>th</sup> remains the same as does the March 1<sup>st</sup> deadline for submitting your Verification Report to the Arizona Department of Education.

**Changes to Verification Sampling Procedures:**

- Beginning with the school year (SY) 2005-2006 verification process, all LEAs with a few exceptions, **must** use the ***Standard Sampling Method*** to determine the number of applications to be verified.

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- The Standard Sampling Method is similar to the random sampling method used in past years. The **Standard Sampling Method** continues to be the lesser of 3 percent or 3,000 applications. However, the **sample must now be selected from error-prone applications**.
  - Error-prone applications are those applications that indicate monthly income within \$100 or annual income within \$1,200 of the income eligibility limits for free or reduced-price school meals. “Within” is defined as \$100 or \$1,200 **less than or equal to** the monthly or annual income eligibility limits, respectively. Applications \$100 or \$1,200 over the income eligibility limits are not considered error-prone applications. Refer to CN# 49-05 for additional information.
  - In cases in which there are not enough error-prone applications to comply with the required sample size, LEA’s **must** randomly select additional applications from all remaining applications to fulfill the percentage or number requirement.

#### **Criteria for Administrative Relief:**

The *Random Sampling Method* and the *Focused Sampling Method* are available to LEAs who qualify for administrative relief. LEAs will qualify for administrative relief if:

- Their non-response rate for the preceding school year is **less than 20 percent** (0-19.99%); or
- For LEA’s with more than 20,000 children **approved by application** (excluding direct certification) for free or reduced price meals as of October 1.
  - The LEA shows that its verification non-response rate for the previous school year was **at least 10 percent lower** than the verification non-response rate for the year before that; or
  - For **SY 2005-2006 only**, LEA attempts to verify all approved applications selected for verification through the use of public agency records from at least two of the following programs: food stamps, the Food Distribution Program on Indian Reservations (FDPIR); the State Temporary Assistance for Needy Families (TANF) program; the State Medicaid program; and a similar income-tested program or source of information, as determined by the United States Department of Agriculture (USDA). If a State agency administers more than one program (i.e. food stamps and TANF) and the LEA contacts one agency, each program is considered a separate source.

**The results of your verification process during SY 2004-2005 will determine whether you qualify for administrative relief for SY 2005-2006. The ADE will post a Non-Response Rate Report for all LEAs on its website located at [www.ade.az.gov/health-safety/cnp/nslp/verification/](http://www.ade.az.gov/health-safety/cnp/nslp/verification/). The report is based on the LEA’s SY 2004-2005 verification report. **ONLY** if the LEA obtained a non-response rate of less than 20 percent, or for large LEAs (greater than 20,000 students approved by application) who improved their 2003-2004 non-response rate by 10 percent, will the LEA be able to elect to use one of two **Administrative****

**Relief Methods** to reduce verification requirements. To assist LEAs in determining what methods they are eligible for, ADE has created a decision tree (see attached document).

**Administrative Relief Methods:**

- *Random Sampling Method* - The lesser of 3 percent of, or 3000 approved applications (includes case number approved income applications) selected at random (error-prone not required); or
- *Focused Sampling Method* - The lesser of 1 percent of, or 1000 **error-prone** approved applications, **plus** the lesser of ½ of a percent (0.5%) of, or 500 approved applications that provided a case number (instead of income information) showing participation in food stamps, cash assistance, TANF, or FDPIR.
  - In cases in which there are not enough error-prone applications to comply with the required sample size, LEA's **must** randomly select additional applications to fulfill the percentage or number requirement.

**Other Verification Requirements effective July 1, 2005:**

- To check the accuracy of the initial eligibility determination, **LEAs must now review all applications selected for verification prior to conducting any other verification activity.** The review must be done by an individual other than the individual who made the initial eligibility determination.
  - If the initial determination is incorrect, the LEA must correct the household's status and notify the household of the change.
  - If the household's status changes from free or reduced price to paid or from free to reduced price, a notice of adverse action is required.
  - Any application not subject to verification must be replaced by a similar application.
  - A LEA who uses a technology-based system when processing applications that demonstrates a high degree of accuracy may receive a waiver, if approved by ADE.
- LEAs may elect to substitute **up to 5 percent** of applications selected for verification and replace them with other application to be verified.
  - The LEA may not use substitution to reduce the overall number of applications they verify.
  - LEAs should consider factors such as household stability and communication difficulties when declining to verify a household application selected of verification.
- The LEA is now **required** to make **at least one additional attempt** to obtain the necessary verification information from households who fail to respond to the initial request for verification information.

- The attempt may be made through the mail, by telephone, by email, or through personal contact.
  - LEA must document any attempts and the results.
  - If unable to verify the household's eligibility status after the follow-up attempt(s), the household's benefits must be terminated through a notice of adverse action.
  - LEA may contract with a third party to assist with the required follow-up activity. Any third party is subject to confidentiality requirements.
- LEAs **must provide** all households selected for verification with **a telephone number** that they may call for assistance. The call **must be free** to all households in the LEA.
    - The LEA may establish a toll-free number or allow households to reverse the charges if any households in the school district are outside the local calling area.
    - LEA may provide different telephone numbers for each local calling area within the school district.
    - The household must be able to contact a school or LEA official who can either directly assist them or can refer the caller to a specific person for help.
    - If the household is unable to obtain assistance during their initial call, an LEA or school official must attempt to initiate further contact.

The National School Lunch Program's policies have drawn some criticism about access to and eligibility for free and reduced-price meals. To view the brief, *The National School Lunch Program: Ensuring that Free and reduced-Price Meal Benefits Go to the Poor*, visit [www.ade.az.gov/health-safety/cnp/nslp/verification/](http://www.ade.az.gov/health-safety/cnp/nslp/verification/).

The revised CNP Verification Manual for SY 2005-2006 will be mailed to all LEAs this summer. It will also soon be available on the ADE website at [www.ade.az.gov/health-safety/cnp/nslp/verification/](http://www.ade.az.gov/health-safety/cnp/nslp/verification/). To attend training on the new verification requirements please register at, [www.ade.az.gov/online/registration](http://www.ade.az.gov/online/registration).

If you have questions regarding this memo, please contact ADE's Health and Nutrition Services at 602-542-8700.